GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:2078
ANSWERED ON:01.12.2000
DISTRIBUTION OF DISINVESTMENT PROCEEDS
UMMAREDDY VENKATESWARLU

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government have any formula to distribute the proceeds which come from disinvestment of Public Sector Undertakings in the country to the various States;

(b) if so, the details thereof;

(c) whether this formula has been circulated to the State Governments for their Comments;

(d) if so, the reaction of the State Governments thereon; and

(e) the manner in which the Government propose to consult the States on the problem of labour rehabilitation which will arise from disinvestment?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) No, Sir. The receipts from disinvestment are deposited in the Consolidated Fund of India like other receipts of the Government. Outgo from the Consolidated Fund of India includes Central support to the States.

(b), (c) & (d) Does not arise.

(e) One of the main elements of the disinvestment policy of the Government as reiterated by Finance Minister in the Budget speech for the year 2000-2001 is to protect the interests of workers. Government will strive to do so through Shareholders` Agreements, ESOPs, and, where necessary, Voluntary Separation Scheme (VSS) packages.